



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[(B-15-2016)]

Foreign-Trade Zone (FTZ) 87 – Lake Charles, Louisiana; Notification of Proposed Production Activity; Sasol Chemicals (USA), LLC, Subzone 87E,
(Assembly of Ethylene Distillation/Rectification Plant and Ethane Cracker/Reaction Unit; Production of Polyethylene) Westlake and Sulphur, Louisiana

Sasol Chemicals (USA), LLC (Sasol) submitted a notification of proposed production activity to the FTZ Board for its sites within Subzone 87E in Westlake and Sulphur, Louisiana. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on March 17, 2016.

Sasol is requesting FTZ authority for the assembly and installation of an ethylene distillation/rectification plant and ethane cracker/reaction unit(s). Sasol is also requesting to produce polyethylene from foreign-sourced ethane once the construction is completed. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could allow Sasol to choose the duty rates during customs entry procedures that apply to the ethylene distillation/rectification plant and ethane cracker/reaction unit(s) (free and 4.2%) and the finished polyethylene (6.5%) for the foreign-status inputs noted below.

The components and materials from abroad for the assembly and installation of the ethylene distillation/rectification plant and ethane cracker/reaction unit include: ethane; paint;

cellular polyurethane foam insulation; plastic stacking corner fixtures for stacking pallets; plastic cable guides; Teflon back-up rings; fiber reinforced plastic washers; plastic gaskets; plastic washers; Teflon encapsulated gaskets; vulcanized rubber hoses; vulcanized, cellular rubber rings; neoprene seals; neoprene rubber gaskets; rubber feed-filtrate hoses reinforced or otherwise combined with textile materials without fittings/measurement hoses with fittings/diaphragms/vibration control bushings/seals/containers, with or without their closures, of a kind used for the packing and transporting of merchandise/sealing frame diaphragms; textile filter bags; ceramic insulation; refractory materials for cracking furnaces; center precast walls; fiber glass filters non-woven fabric; fiber glass filters fabric woven; carbon steel flatbar for toeplates; seamless iron or steel pipes; seamless stainless steel pipe (boiler tubes); seamless alloy steel pipe (exchanger, boiler tubes); submerged arc welded line pipe; longitudinally welded line pipe; welded stainless steel pipe; welded alloy steel pipe; welded carbon steel pipe; welded stainless steel pipe; pipe fittings: carbon steel threaded plugs/carbon steel unions (ductile fittings, non-threaded)/stainless steel flanges/stainless steel threaded elbows and bends/stainless steel concentric reducers/stainless steel elbows/butt welding fittings/stainless steel sleeves (couplings)/stainless steel weldolets/stainless steel nipples/iron or steel flanges/iron or steel threaded elbow and bends/iron or steel threaded sleeves (couplings)/iron or nonalloy steel butt welding fittings with an inside diameter of less than 360 millimeters/alloy steel butt welding fittings with an inside diameter of less than 360 millimeters/butt welding fittings of all metallurgies other than stainless steel with and inside diameter of 360 millimeters or more/butt welding fittings of all metallurgies other than stainless steel – nipples; pumps (venturi tubes); steel beams, columns, posts, platforms and ladders and steel assemblies for use in steel structures; pipe rack modules (steel structures with piping); steel tanks for liquid; steel fume

collectors for holding gas; stainless steel belts (superbelts); galvanized carbon steel wire mesh screen; iron or steel machine screws; iron or steel studs; iron or steel nuts; stainless steel threaded rods; steel washers; cotter pins (split pins); coil spring pins; steel hairsprings; steel assemblies for mine air heaters; steel wires; electrical grounding rods; spring hangers for supporting pipe in steel structures; aluminum connecting fishplates (splice bar for connecting aluminum beams or tracks); aluminum ladders; steel wrenches, non-adjustable; steel wrenches, adjustable; socket wrenches; carbon steel threaded studs; stainless steel grating discs (with assembly hardware); fabricated steel brackets; non-iron or steel attachment brackets; boilers with steam production exceeding 45 tons per hour; boilers with steam production not exceeding 45 tons per hour; condensate and boiler feedwater system parts; steam boiler heat exchangers; parts for steam boilers; steam turbines (compressor driver); spare rotors for steam turbine in steel container; high pressure deck pumps; pitch pumps; rotary positive displacement pumps; centrifugal water pumps; feed pumps, cloth wash pumps; eductors (acts as a pump with no moving parts); pump parts; vacuum station pumps; exhaust fans; induced draft fans; propylene refrigeration compressors; ethylene refrigeration compressors; screw compressors; pellet transfer air compressors; nitrogen compressors; cracked gas compressors; decoke air compressors; spare compressor rotor assemblies in steel container; parts for fans and blowers; parts for compressors; parts for pumps; flare systems; dry flare superheater condenser pots; furnace parts; cracked gas driers; depropanizer column (distillation process to remove propane); debutanizer column (distillation process to remove butane); de-ethanizer column (distillation process to remove ethane); quench water towers; coolers (shell and tube heat exchangers); heaters (shell and tube heat exchangers); air cooled (fin-fan) heat exchangers; brazed aluminum plate-fin heat exchangers; reactors; ethane feed systems; parts for quench water

towers (fabricated center support beams with hardware and carbon steel lateral pipe distributors with hardware); heat exchanger parts; reactor parts; sludge paddles; carbon steel large drums, suspect condensate flash drums; strainers; filters; carbon steel drums for hydro carbon vapor & liquid separation; filter elements; parts for filtering machinery; liquid propane ethane stripper feed chiller parts; truck weighing scales; down flow booths with temperature control cooling coils and integrated safety shower units; lifting devices; aggregate feeder conveyors; mixer feed screw conveyors; truck and railcar loading arms; rock breaker boom systems; lime silo bin vent assemblies; special tools for rock breakers; self-feeder lid assemblies; pulverizer mills to grind sample material; millmate assemblies; jaw crushers; colloidal mixing systems; overflow chutes; mounting brackets; flotation tank cell components, disassembled for shipping; washer plates; nut plates; extruders; static mixers; air electromechanical self-contained electric motors; gas motor driven machines; ammonia storage package; accumulators; parts for lime mixers; pressure reducing valves; hand-operated relief valves; non-iron or steel hand operated valves; hand-operated copper valves; hand-operated steel valves; hydraulic and pneumatic actuated valves; copper valve parts; steel valve parts; iron or steel slide plates; spiral wound gaskets, mixture of metallic material; collector seals; electric actuator of an output exceeding 37.5 watts but not exceeding 74.6 watts; gear motors; electric motors of an output exceeding 74.6 watts but not exceeding 735 watts; motors of an output exceeding 750 watts but not exceeding 75 kilo watts; motors exceeding 750 watts but not exceeding 14.92 kilo watts; motors exceeding 75 kilo watts but under 149.2 kilo watts; motors not exceeding 373 kilo watts; motors of 149.2 kilo watts or more but not exceeding 150 kilo watts; rock breaker hydraulic power units with a power output not exceeding 50 watts; speed drive controllers for electric motors; bolt heaters; electric mercury retorts; visual sensors; automatic fuses; solenoid operated valve open/close switch

boxes; safety relays; on/off electrical switches; limit switches; electrical terminals; electrical splices and couplings; junction boxes including support switch boxes; auxiliary panels; I-line distribution panels; local control panels; variable bleed solenoid valve box sets; parts of machines, thermocouples; printed circuit assemblies; cables for emergency switches; sea containers; pyrometers; flow meters (instruments for measuring liquid flow); liquid level sensors; level housing assemblies; pressure transmitters; pressure gauges; level transmitters, parts & accessories; sensors; gas chromatographs; electrical turbidity transmitters and sensors; turbidity transmitters and sensors with exposure meters; integrated turbines compressor control system designed for use in 6, 12 or 24 volt systems; local gauge board with bolts, nuts & washers (duty rates range from free to 9%).

The request indicates that alloy steel pipes (diameter exceeding 114.3 mm but not exceeding 406.4 mm), HTSUS 7304.19.5050; butt welding fittings, HTSUS 7307.23.0000; iron or non-alloy steel pipes (external diameter exceeding 609.6 mm), HTSUS 7305.11.1060; iron or non-alloy steel pipes (external diameter exceeding 406.4 mm but not exceeding 609.6 mm), HTSUS 7305.11.1030; welded iron or non-alloy steel tubes, HTSUS 7305.31.4000; iron or non-alloy line pipes (outside diameter exceeding 114.3 mm), HTSUS 7306.19.1050; welded iron or non-alloy steel pipes (external diameter exceeding 406.4 mm but not exceeding 609.6 mm), HTSUS 7305.12.1030; line pipes (external diameter exceeding 609.6 mm), HTSUS 7305.19.1060; and, welded stainless steel line pipes (outside diameter not exceeding 114.3 mm), HTSUS 7306.19.1010, are subject to antidumping/countervailing duty (AD/CVD) orders. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders be admitted to the zone in privileged foreign status (19 CFR 146.41).

Additionally, production of polyethylene under FTZ procedures could exempt Sasol from customs duty payments on the foreign-status ethane (duty free) used in export production. On its domestic sales, Sasol would be able to choose the duty rate during customs entry procedures that applies to polyethylene (duty rate 6.5%) for the foreign-status ethane.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: March 25, 2016.

Andrew McGilvray,
Executive Secretary.

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